

# Memorandum

To: Panel Members Date: July 26, 2001

From: Ron Tagami, Manager  
Peter DeMauro, General Counsel File: genesis100.130agr

Subject: One Step Agreement for **Genesis Technology Partners (<100)**  
(www.genesispartner.net)

## CONTRACTOR:

- Training Project Profile: Retraining: companies w/out-of-state competition
- Legislative Priorities: Moving to a High Performance Workplace
- Type of Industry: Services
- Repeat Contractor: No
- Contractor's Full Time Employees:
  - Company Wide: 80
  - In California: 40
- Fringe Benefits: Yes
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: N/A

## CONTRACT:

- Program Costs: \$61,320
- Substantial Contribution: \$0
- Total ETP Funding: \$61,320
- In-Kind Contribution: \$91,400
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles
- Duration of Agreement: 24 months

**TRAINING PLAN:**

- Average Cost Trainee:                      New Hire: \$0                      Retrainee: \$1,614
- Type(s) of Training:                      Management Skills, Continuous Improvement, Business Skills, Computer Skills
- Number to be retained:                      New Hire: 0                      Retrainee: 38
- Range of hours:                      50 - 120
- Range of hourly wages:                      \$14.00    to    \$68.00
- Prevalent hourly wage:                      \$21.00
- Weighted average hourly wage:                      \$22.50
- Health benefits used to meet ETP minimum wage:                      No

**SUBCONTRACTORS:** None

**THIRD PARTY SERVICES:**

Applicant states consultant services have not and will not be used.

**NARRATIVE:**

Founded in 1998 and located in San Dimas, Genesis Technology Partners provides one or more of the following support services to hospitals and health care facilities: refurbished imaging equipment sales and service; capital asset management programs; proprietary on-line software database; on-site biomedical engineering; and field service management for various modalities of patient care equipment. This small company employs 80 fulltime workers, 40 of whom are Californians.

Genesis Technology Partners provides services both inside and outside of California, and therefore was determined for funding under Title 22, California Code of Regulations, Section 4416(a)(3)(4), Out-of-State Competition.

The health care industry as a whole is becoming increasingly competitive and is facing eroding profit margins. Further, the expensive equipment utilized in this industry must be the latest and most advanced technology and requires on-going and costly maintenance. To minimize costs, the industry must look for practical ways to decrease outlay.

Genesis directly competes with General Electric, Siemens, Phillips, and Toshiba for the healthcare industry's business. These giants have various and numerous resources to ensure their employees are updated with the latest skills. The only way this small company can only sustain their niche in this healthcare market is by providing cost-efficient equipment maintenance and related technological services to its customers.

**NARRATIVE:** (continued)

Genesis has developed a strategic plan to maintain and expand their position in this marketplace by improving their ability to respond to their customers needs by offering high quality and cost efficient maintenance services. Because changes within the highly technical biomedical engineering industry require workers with more advanced skills, Genesis must retrain current workers in the skills necessary to support the on-going maintenance requirements of the sophisticated equipment used by their customers. Training of this nature is expensive and limited financial resources are the major factors prompting Genesis to approach the Panel for funding.

Unless Genesis can provide these maintenance services at a much-reduced cost, it is likely that the health care industry will no longer continue to do business with this small employer. Through retraining, Genesis will be able to accomplish the company's goals and ensure competitiveness and profitability.

The Contractor will provide all project administrative duties.

No executives who set company policy will be trained under this Agreement.

**Supplemental Nature of Training**

Until now, Genesis has been constrained by limited resources to implement a comprehensive training program. Other than no-cost training supplied by new equipment manufacturers, the company's training has consisted of new employee orientation and occasional on-the-job cross training in basic skills using the expertise of current workers.

After conducting a thorough needs assessment, Genesis determined that managers, account managers, office administrators, and customer engineers need training in one or more of the following: management skills, continuous improvement, computer skills, and business skills. The company has certified that none of these workers have received the proposed training in the past three years.

Following the ETP-funded training, Genesis will continue to provide support and reinforcement training on a long-term basis. The workers trained under this Agreement will, in turn, be qualified to implement and maintain an intensive cross training plan.

**In-Kind Contributions**

The Contractor's investment is approximately \$68,900 in wages paid to workers while in training and \$22,500 in costs associated with material expenses, training needs assessments, and project development.

**PROPOSED ACTION:**

Staff recommends that the Panel approve this One-Step Agreement if funding is available and the project meets the Panel priorities. This recommendation is based on Genesis Technology Partners stated need to provide its workers with skills to remain competitive, to ensure a continuing relationship with its customers, and to remain viable in the California economy.

Training Data									(c) Payment Schedule				
1	2	3	4	5 (a) Cls/Lab Video- conf.	6	7	8	9	10	11	12	13	14 (d) Wage After Reten- tion
Job #	Occupations	Type of Training	No. Retain	Hours	CBT Hours	(b) SOST Hours	Cost Per Trainee	Total SOST Trainer Hrs.	Hrs. to Enroll/ Pay 1 Enroll	Pay 2 Compl	Pay 3 Hired	Pay 4 After 90 Days	
1	Managers, Account Managers	Direct-Employer, Retrainee<100	19	104			\$2,080	0	8	\$ 520.00	\$1,040.00	\$ - \$ 520.00	\$14.00- 68.00/hr
687		MENU: Trainees will receive one or more of the following: Computer Skills		104									
		Continuous Improvement Management Skills Business Skills											
2	Office Administrators	Direct-Employer, Retrainee<100	2	120			\$2,400	0	8	\$ 600.00	\$1,200.00	\$ - \$ 600.00	\$16.00- 22.00/hr
687		MENU: Trainees will receive one or more of the following: Computer Skills		120									
		Continuous Improvement Business Skills											

(a)Advanced Technology must be provided as class/lab.

(b)Figures for calculation purpose only.

(c)For Welfare to Work: Pay 2=50% Completion hrs. Pay 3=100% Completion hrs.

(d)Wages by occupation on Comment Page.

Contractor: Genesis Technology Partners

Chart 1, Summary Page

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Exhibit A

Training Data									(c) Payment Schedule				
1	2	3	4	5 (a) Cls/Lab Video- conf. Hours	6 CBT Hours	7 (b) SOST Hours	8 Cost Per Trainee	9 Total SOST Trainer Hrs.	10 Hrs. to Enroll/ Pay 1 Enroll	11 Pay 2 Compl	12 Pay 3 Hired	13 Pay 4 After 90 Days	14 (d) Wage After Reten- tion
Job #	Occupations	Type of Training	No. Retain										

3	Customer Engineers	Direct-Employer, Retrainee<100	17	50			\$1,000	0	8	\$ 250.00	\$ 500.00	\$ -	\$ 250.00	\$14.00- 25.00/hr
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*MENU:*

687		<i>Trainees will receive one or more of the following: Computer Skills</i>		50										
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*Continuous Improvement  
Business Skills*

### Contract Totals

<b>Program Cost</b>		\$61,320	<b>Total to be Retained</b>	38
<b>Substantial Contribution (___%)</b>	(-)	\$0		
<b>Multiple-Empl. Support (___%)</b>	(+)	\$0		
<b>TOTAL ETP Funding</b>	(=)	\$61,320		

(a)Advanced Technology must be provided as class/lab.

(b)Figures for calculation purpose only.

(c)For Welfare to Work: Pay 2=50% Completion hrs. Pay 3=100% Completion hrs.

(d)Wages by occupation on Comment Page.

**Contractor: Genesis Technology Partners**

Turnover Rate	% of Mgrs. & Sups. to be trained		Health Benefits Inc. in Wage?		
5.0%	0.0%		No		

Location of training: All training will be conducted on company premises during work hours in San Dimas and various hospitals and health care providers in Los Angeles, Orange, San Bernardino, and Riverside counties where staff is out-stationed.

Ratios: The ratio of trainers to trainees for class/lab training shall not exceed 1:20 for retrainees.

If Health Benefits is "YES", please explain: N/A

Other notes: N/A

(d) Wages by occupation after retention:

<u>Occupations</u>	<u>Wage Range</u>
Managers	\$26.00 - \$68.00
Account Managers	\$14.00 - \$26.00
Office Administrators	\$16.00 - \$22.00
Customer Engineers	\$14.00 - \$25.00